

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: April 22, 2008

Bill Number: H.B. 4924 (Joint Resolution)

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Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A joint resolution to distribute a portion of Homestead Exemption Fund revenue carried forward to fiscal year 2008-2009 to the South Carolina Public Charter School District based on a per pupil formula.

REVENUE IMPACT ^{1/}

This bill is not expected to have an impact on state General Fund revenue in FY2008-09. This bill would transfer an estimated \$13,974,000 from the Homestead Exemption Trust Fund surplus for county tax relief to the South Carolina Public Charter School District in FY2008-09.

Explanation

This bill would amend Section 11-11-156(C) to require that any funds remaining in the Homestead Exemption Fund at the end of FY2007-08, which is carried forward to FY2008-09, must be distributed to the South Carolina Public Charter School District (SCPCSD) in an amount equal to the number of pupils in that school district multiplied by \$4,658 per pupil. The distribution to the SCPCSD would be the first priority and any remaining funds would be available for distribution to counties for property tax relief in FY2008-09. According to representatives with the South Carolina Department of Education, based on application data to the charter schools, there are an estimated 3,000 students in the South Carolina Public Charter School District. Multiplying 3,000 students by \$4,658 per student yields a required distribution from the Homestead Exemption Trust Fund of \$13,974,000 in FY2008-09, if any surplus funds are available. This would also reduce the amount available to counties for property tax relief by \$13,974,000 in FY2008-09.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.